

WASHINGTON, DC - U.S. Reps. Harry Mitchell and Ken Calvert (R-CA) are inviting their colleagues in the House to join them in support of the bipartisan Homebuyer Tax Credit Act, H.R. 1245, to extend and expand the Homebuyer Tax Credit.

The goal of the Homebuyer Tax Credit Act, H.R. 1245, is to stimulate the nation's housing market by offering a \$15,000 tax credit to all individuals who purchase a home in the next year. The bipartisan bill has 43 cosponsors in the House. Its companion bill in the Senate, S. 1230, is sponsored by Republican Senator Johnny Isakson of Georgia and Democrat Chris Dodd of Connecticut, the Senate Banking, Housing and Urban Affairs Committee Chairman. The Isakson-Dodd bill also has bipartisan support including 16 co-sponsors.

Below is the text of letter Mitchell and Calvert have circulated to Members of Congress inviting them to sign on to the bill.

October 1, 2009

Dear Colleague:

Economists, homebuyers and businesses across the country are now calling on Congress to extend and expand the homebuyer tax credit. While the homebuyer tax credit expires at the end of November, it effectively ends early this month because unless a home is purchased soon, the sale will not close in time to qualify.

According to Moody's chief economist Mark Zandi, almost 400,000 new and existing home sales are attributable to the tax break. Despite its success, the potential end of the homebuyer tax credit is already slowing down the housing industry. In August home builders started slowing down the construction of new homes because they would be unable to complete them in time for buyers looking to use the tax credit before the November 30th deadline. The slowdown in construction explains why single-family housing starts were down 3 percent in August from a month earlier, reversing course after five straight increases.

The goal of the Homebuyer Tax Credit Act, H.R. 1245, is to stimulate the nation's housing market by offering a \$15,000 tax credit to all individuals who purchase a home in the next year, not just first time homebuyers. The amount of the tax credit would be up to \$15,000 or 10 percent of the purchase price, whichever is less. The tax credit is limited to homebuyers who are buying a primary residence and would not be available to speculators. Purchases must be made within one year of the legislation's enactment, and the tax credit would not have to be repaid.

The \$15,000 homebuyer tax credit will stimulate housing demand and stabilize home values, which will strengthen confidence generally and generate even more economic activity.

If you would like to cosponsor H.R. 1245 please contact Jason Gagnon in Rep. Calvert's office at 5-1986 or Matt Kaplan in Rep. Mitchell's office at 6-8715.

Sincerely,

KEN CALVERT

HARRY MITCHELL

Member of Congress

Member of Congress